

ICPS newsletter[®]

“Public policy is not only about public, but about policy and politics”

What is public policy? How can current transformations in Ukraine best be described? Who is risking what in the upcoming presidential election campaign? What role should the opposition play in this country, and why can't Ukraine's opposition get anywhere? ICPS Director Vira Nanivska gave answers to these and other questions in an April interview in Den', a national paper

Den': In your opinion, are you managing to carry out the Center's basic mandate—to implement the concept and procedures of public policy in Ukraine?

VN: Before coming to ICPS, I worked for the World Bank, which gave me the sense of what I would call an intellectual organization from the future, an intellectual treasury of economic knowledge and experience or, if you like, an economic doctor with huge practical experience. I was impressed with the quality of the recommendations, the analytical reports, the templates that were given to its experts: the entire approach to developing policy, a well-established process of preparing recommendations—all of which was completely lacking in Ukraine.

For instance, when the International Monetary Fund provided the Thatcher Government with recommendations, the system for policy-making in a competitive political environment with limited resources already existed and was prepared to use smart recommendations. In Ukraine, these recommendations were not accepted...

Den': You mean that the IMF's recommendations were intended only for those in power?

VN: Yes. Still, in a strong democratic or strong totalitarian country, where there are stable decision-making procedures, this mechanism works. It can also work well with such reforms as, for example, financial stabilization, which requires approval at two or three places: the Finance Minister, the National Bank, and so on. But without an effective mechanism to manage change, without the engagement of the broader public,

without an understanding of what is happening, comprehensive structural reform is simply impossible. Moreover, every change benefits somebody at the top and costs somebody else. And those who face losses, of course, don't just sit there and take it. That's why, in order to implement such changes, it is extremely important to mobilize human resources to support and carry out decisions.

Den': You are saying that, to carry out political reform, human resources must be mobilized.

VN: Without any doubt. And that's despite a situation in Ukraine that's way better than, say, ten years ago. Over the years of our Center's activities, the idea of “public policy” has become widespread and nobody even remembers that that was ICPS who coined it. Public policy is not about politicians appearing on TV. It's about taking into account the interests of various groups in the society who are competing for access to national resources, analyzing their needs, and consulting with them. Currently, the word “public” is also being understood as “transparent.” There is real political competition, a contest among interests, and negotiations—and all is being dissected not only in public, but also for the public, in order to gain its support.

Den': At least, part is in public, but the rest is under the carpet...

VN: There is no place in the world where policy-making is absolutely transparent. In our country, it can sometimes be even more public than in the West. However, the term “public policy” is not only about public, but about policy and politics [Ed: in Ukrainian, “polityka” means both

Quarterly Predictions group helps study the Moldovan economy

ICPS continues sharing its know-how in publishing quarterly predictions with its colleagues from IDIS Viitorul, a Moldovan think-tank. After a one-week workshop in Kyiv, Moldovan specialists began working on their own publication which will analyze the Moldovan economy and economic policy on a quarterly basis. The first issue of Moldovan Quarterly Predictions, which is planned for June release, will include the expert forecasts for major macroeconomic indicators for 2004. Eventually, the forecast period will be extended to two years.

To date, most statistical data has been collected and the highlights and forecasting principles of the publication have been decided. While data was being collected and an initial analysis of the Moldovan economy prepared, a number of points were established:

- The Department of Statistics and Sociology of Moldova, the National Bank of Moldova and other government bodies collect enough data for analysis of the economy.
- Because of the break-up of the country, statistical data do not cover the entire territory of the Republic of Moldova.
- Private transfers are the main source of hard currency flows into the country. Unofficial figures state that as many as 50% of able-bodied Moldovans work abroad.
- Most economic trends in the FSU are also evident in Moldova.

Quarterly Predictions presents a review of the Ukrainian economy and mid-term forecasts for its ongoing development. For more information, contact Andrew Blinov at +380-44-236-1292 or e-mail ablinov@icps.kiev.ua.

“policy” and “politics.”]—that is, that which a particular politician or particular political party will do when they are in power. And it does not matter whether this political player is in the majority or in the opposition. The fact that our opposition today does see itself as out of power is a soviet hangover. It is in power, because its representatives were elected to the Verkhovna Rada and they have formed factions, which means they have means of influence. Although responses to the key questions of public policy—“What to do?”, “Why do this?”, “What will happen if this isn’t done?”—haven’t become part of the daily routine, but they have, without any doubt, already become a daily requirement.

ICPS specialists make it very clear that Ukrainian politicians do themselves enormous harm when they try to destroy each other without offering something positive to the nation. The more negative the politician, the fewer chances of being trusted. In the West, all these “rules of nature” have been carefully studied over the course of dozens and hundreds of election cycles. Here, few politicians are able to make a connection between their behavior and its political consequences. Still, we should be able to learn from others who went through this same experience long ago...

I think that political reform in Ukraine would ultimately have no chances of success if all its ups-and-downs—the rivalries and trade-offs—were not so visible. It can be argued that political reform is the only public policy issue that is accompanied with almost full-value analysis and public debate.

Den’: How would you characterize the transition Ukraine is currently undergoing? Which scenario—the Russian, Belarus, Georgian, Polish, Argentinean—is closest to the Ukrainian one?

VN: The patterns are same for all. The countries you mentioned are simply either at different stages of democratic transition or under different political systems altogether. After the collapse of the USSR, Ukraine underwent revolutionary changes in its political system: from single-party to multi-party; from the total absence of any opposition or any interests other than the interests of a single ruling party to the legitimacy

of all public interests, both political and economic; to freedom of speech and of confession, and to free elections. And all this was provided in the new democratic Constitution.

What did this mean? The Government suddenly found itself in an entirely new situation, without any preparation. Suddenly it was obliged to persuade legislators, to prove its case to an opposition, to prepare and approve decisions under new pressure daily—and there was nobody who knew exactly how to do that. There were no job descriptions, no unified standard documents. It turned out that liberalization and the emergence of competition not only failed to create capacities to work under the new freedoms, but also created enormous difficulties for governing the state.

The reform of public and social institutions never took place. We were advised how to carry out total political and economic liberalization, but no one told us that now our public administration would look completely different. The first administrative reform was launched by the World Bank only in 1997, and it was done as purely

administrative, in a completely closed, secretive form. I remember one international consultant from this program explaining to me why nobody could see the documents the working group was preparing: reforms had to take conservative civil servants by surprise!

Here at ICPS, we were convinced that this reform had to be not administrative in nature—changing the number of ministries—but institutional—that is, introducing new structures, procedures, standards and skills—and it had to be open, transparent, accessible, and consented to by the maximum number of people and interest groups. At the time, ICPS’s position was “the voice of one crying in the wilderness.” But today Ukraine is already moving in this very direction. Competition has strengthened, having formed in the face of requirements to meet certain rules, standards, restrictions and so on. Yes, these mechanisms still do not work properly, but there is already complete understanding as to their necessity. ■

This is an abridged version of an interview with Mariana Oliynyk published in Issue #58 (April, 1, 2004) of Den’, a national daily.

Call for trainers!

The “People’s Voice” Project is calling a competition for trainers in local government to train local government officials in Alchevsk, Kolomyia, Komsomolsk, Lutsk, Makiyivka, and Chernihiv. We invite all individuals with experience in developing and facilitating seminars and workshops for local government officials in such areas as:

- government policy development and implementation at the local level
- institutional and legal foundations of local government
- local budgets and financing
- managing communal property and urban economic development
- urban planning
- social and humanitarian policy at the local level
- public participation in local government
- IT in the decision-making process

- community relations and local governments
- quality management systems in local government bodies using international standards

For more information about the conditions of this competition, visit our announcements page at <http://www.icps.kiev.ua/info> or contact Volodymyr Hnat by phone at +380-44-236-4116 or by e-mail at vhnat@icps.kiev.ua.

**Deadline for applications:
April, 30, 2004.**

The “People’s Voice” Project is aimed at increasing local government capacity to deliver high-quality services to its citizens. The project is implemented by the World Bank and PADCO, Inc., with the participation of the International Center for Policy Studies. Financing is provided by the Canadian International Development Agency (CIDA).

icps newsletter is a weekly publication of the International Centre for Policy Studies, delivered by electronic mail. To be included in the distribution list, mail your request to: marketing@icps.kiev.ua.

icps newsletter editor: Yevhen Shulha (shulha@icps.kiev.ua)
Phone: +380-44-236-4477, Fax +380-44-236-4668
English text editor: L.A. Wolanskyj
Articles may be reprinted with ICPS consent.

The International Centre for Policy Studies is an independent research organization whose mandate is to promote the introduction of public policy concepts and practices in Ukraine. This is achieved by increasing the know-how of key government officials for policy choices, formulation and debate, and the awareness of the public-at-large of the benefits of policy.
Address: 13a Pymonenka Street, Kyiv 04050, Ukraine
Web-site: <http://www.icps.kiev.ua/>